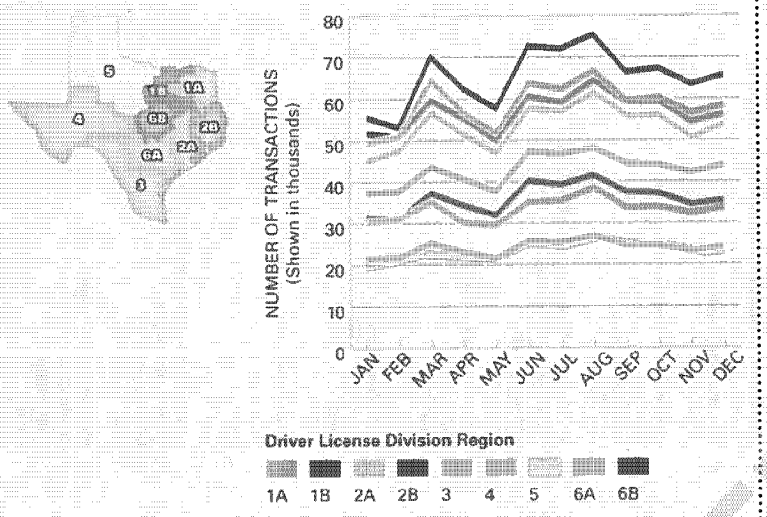


Figure 26. Transaction volume by month of year by region.

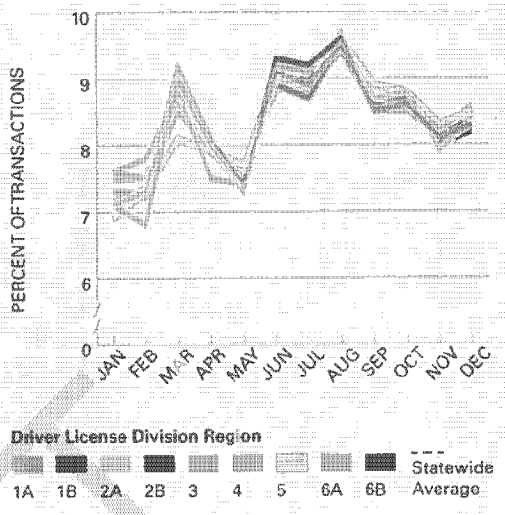


Figure 27. Transaction volume as a percentage of initiated transactions by region.

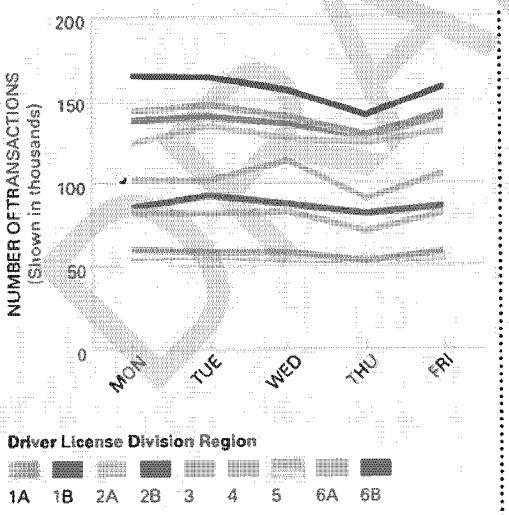


Figure 28. Transaction volume by day of week by region.

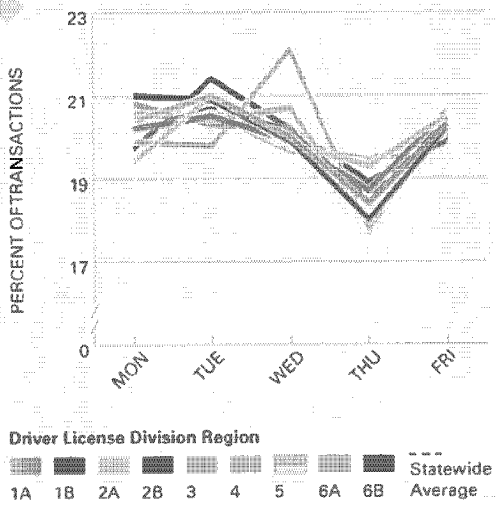
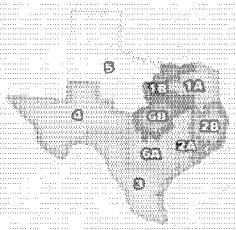


Figure 29. Transaction volume as a percentage of initiated transactions by day of week by region.

Table 5. Average transaction processing time by transaction type by region.



Region	Duplicate DL	Duplicate ID	Modify DL	Original DL	Original ID	Renew DL	Renew ID
1A	0:02:56	0:02:58	0:24:26	0:18:12	0:04:19	0:04:18	0:03:18
1B	0:02:57	0:02:59	0:27:23	0:16:17	0:04:33	0:04:27	0:03:26
2A	0:03:05	0:03:10	0:14:40	0:14:01	0:04:28	0:03:54	0:03:26
2B	0:02:54	0:02:59	0:25:36	0:19:00	0:04:18	0:03:48	0:03:17
3	0:03:07	0:03:11	0:25:59	0:18:59	0:04:29	0:04:38	0:03:31
4	0:03:01	0:03:02	0:24:16	0:23:22	0:04:32	0:04:30	0:03:26
5	0:03:12	0:03:07	0:20:32	0:19:32	0:04:57	0:05:04	0:03:38
6A	0:03:01	0:02:52	0:26:02	0:19:19	0:04:28	0:04:21	0:03:14
6B	0:03:08	0:03:11	0:23:03	0:15:39	0:04:50	0:04:27	0:03:34

Table 6. Usage and Processing Factors by region, DLO type, and DLO size.

		Initiated Transaction Volume	Usage		Processing	
			DLO	FTE	DLO	FTE
Statewide		4,736,009	10.93	2.34	1.10	22%
Region	1A	700,597	11.54	2.35	1.13	23%
	1B	781,562	15.47	2.70	1.62	28%
	2A	640,218	21.44	2.26	1.80	18%
	2B	680,341	12.27	2.63	1.15	24%
	3	399,201	9.34	2.33	0.92	21%
	4	287,772	7.06	1.71	0.79	17%
	5	276,964	4.53	1.78	0.50	19%
	6A	513,116	12.87	2.55	1.34	26%
	6B	431,474	10.11	2.31	1.06	23%
Type	Full-Time	4,648,948	11.99	2.36	1.21	22%
	Part-Time	60,607	1.71	1.56	0.18	16%
	Mobile	1,690	0.17	0.17	0.03	03%
Size	Mega	151,236	64.06	1.71	5.49	15%
	Large	2,555,428	27.09	2.40	2.64	23%
	Medium	1,159,875	13.35	2.45	1.25	23%
	Small	844,706	3.38	2.13	0.34	21%

DLO Usage and Processing Factors provided a general understanding of the supply and demand of services at DLOs. However, because these calculations use Operational Hours and not Employee Hours, these calculations could not be used to compare DLOs by size. For comparison of all DLOs, FTE Usage and Processing Factors were more useful. FTE Usage and Processing Factors were a more standardized measure that could be compared across regions and DLOs. In other words, an employee working in any DLO should have been able to complete the same number of transactions in the same amount of time as an employee in another DLO. However, the results of the analysis showed FTE Usage and Processing Factors were not the same in every region or at every DLO. There are some limitations to FTE Usage and Processing Factors that are detailed in the following paragraphs.

The primary contributing factors to variation among FTE Usage and Processing Factors were the rate at which employees processed transactions and the rate at which customers visited a DLO. For example, a low FTE Usage Factor could represent one of two very different situations. First, a lower FTE Usage Factor could mean that employees are not processing transactions as quickly as at other DLOs. Secondly, a low volume of initiated transaction could be the result of a low volume of customers requesting a transaction. The employees may be processing efficiently and effectively at these DLOs but do not have enough customers to stay busy all of the time. These two distinct situations make it important to view FTE Usage Factors in the context of the specific customer conditions at an individual DLO.

The highest FTE Processing Factor values may appear low, but there are multiple factors that contributed to the overall low numbers across DLOs. First, it is important to recall that Employee Hour calculations assumed that all allocated FTEs worked a full 40 hours 52 weeks out of the year. Employees likely took vacations and sick leave. However, because the exact work schedules of employees were an unknown factor, the maximum number of possible hours worked was used for consistency. In addition, some DLOs did not maintain the maximum number of FTEs throughout the year. However, all DLOs had to be considered at full capacity because data on FTE vacancies were unavailable. Another factor that contributed to lower than expected FTE Processing Factors was FTEs that were not processing transactions. For example, at any given time some FTEs could be administering tests, working the info desk, or performing other office duties. Therefore, it was most useful not to consider the calculations as definitive values, but rather as a tool to compare DLOs. As with initiated transaction volume per DLO FTE Performance Factors should be considered in the context of specific conditions at DLOs (i.e. office size, location, etc.).

PHASE TWO: CUSTOMER DEMAND

MODELING STATEWIDE POTENTIAL DEMAND FOR DLD SERVICES

Compared to existing DLOs, the Optimal Office Location Model placed a greater number of offices for all Analysis Populations in Regions 1B, 2A, 2B, and 6A and a lower number in Regions 3, 4, 5, and 6B (Figure 30 and Figure 31). Region 1A had a greater number of offices modeled, compared to existing DLOs, using the 2010 Weighted and 2010 Employee Population, but fewer offices using the 2015 Weighted Population. This indicates that, as a percentage of statewide population, Region 1A had a larger percentage of population in 2010 than it is predicted to have in 2015. The model placement of more offices in Regions 1B, 2A, 2B, and 6A for all three Analysis Populations and in 1A for two of the three Analysis Populations indicated a potential need for increased DLD services in these Regions. Even though the model placed fewer offices than currently exist in Regions 3, 4, 5, and 6B, it does not necessarily mean that the demand in these regions is decreasing. It simply indicates that to be equitably allocated, these Regions should have less than their current allocation of offices.

REGIONAL FTE REALLOCATION

Regional FTE reallocation trends generally followed the Optimal Office Location Model results. Regional FTE reallocations for all Analysis Populations resulted in FTE decreases in Regions 3, 4, and 5 and increases in Regions 1A, 1B, 2A, 2B, and 6A. Region 6B was the only region where regional FTE reallocation did not follow the modeled increases and decreases of the Optimal Office Location Model. Region 6B showed a decrease in Modeled Optimal Office Locations but an increase in FTEs. This is likely a reflection of population distribution in Region 6B (Figure 32). The majority of the population in the region is concentrated in Austin, suggesting the need for fewer DLOs with a greater number of FTEs in each.

The regional FTE reallocation numbers were an indication of customer demand and a guide in other analyses. Specific DLO staffing recommendations were completed in Phase Three.

CONFLUENCES OF STATEWIDE OPTIMAL OFFICE LOCATIONS

A total of 178 Model Confluences were identified across Texas: 92 Three-Model Confluences, 28 Two-Model Confluences, and 58 Three-Model Confluences without an Existing DLO (Table 7). Three-Model Confluences without an Existing DLO were simplified into 58 Statewide Points of Demand (Figure 33). The DLOs contained within Three-Model or Two-Model Confluences are listed in Appendix A, Table 2A.

Three-Model Confluences with an existing DLO identified existing DLOs that were in

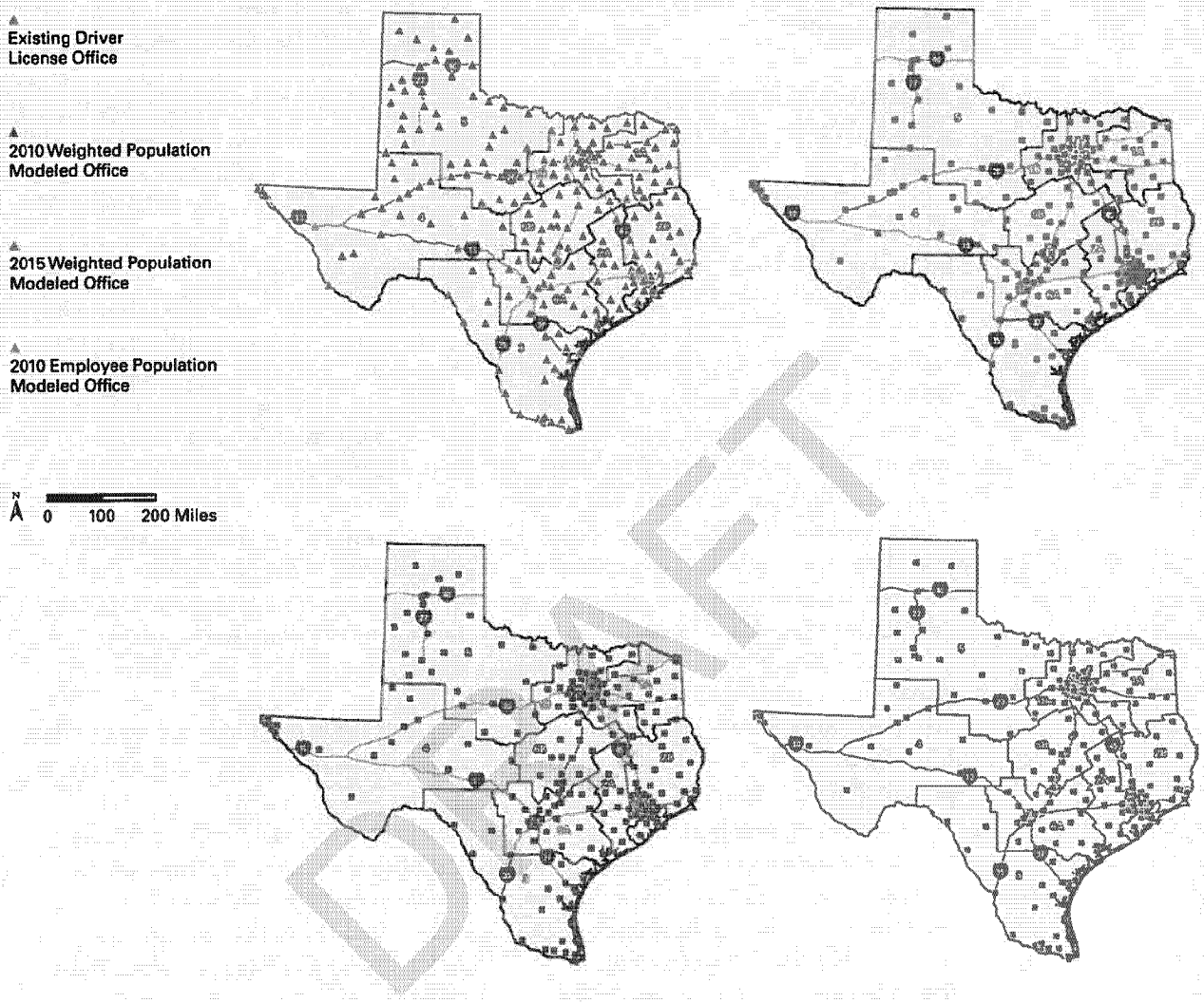


Figure 30. The map with red triangles depicts the location of 2010 Existing Driver License Offices. The other three maps depict the results of Optimal Office Location Models using the 2010 Weighted, 2015 Weighted, and 2010 Employee Populations.

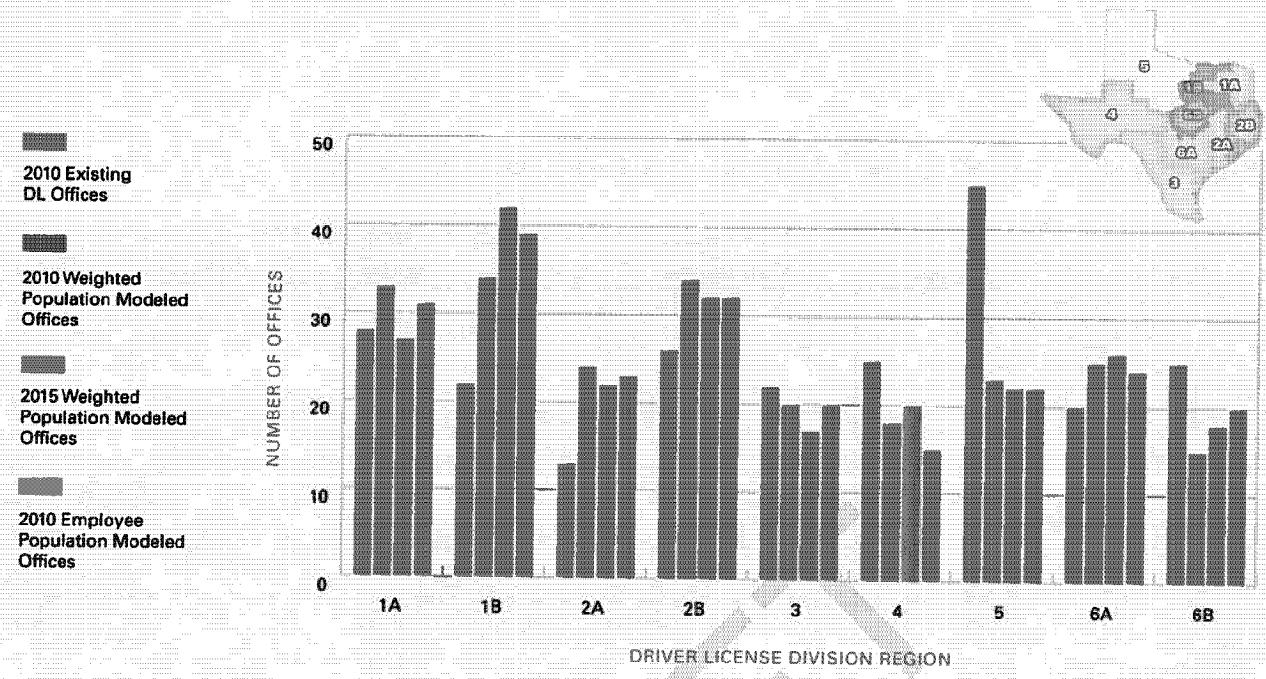


Figure 31. Comparison of exisiting DLOs and Optimal Office Location Model results by region.

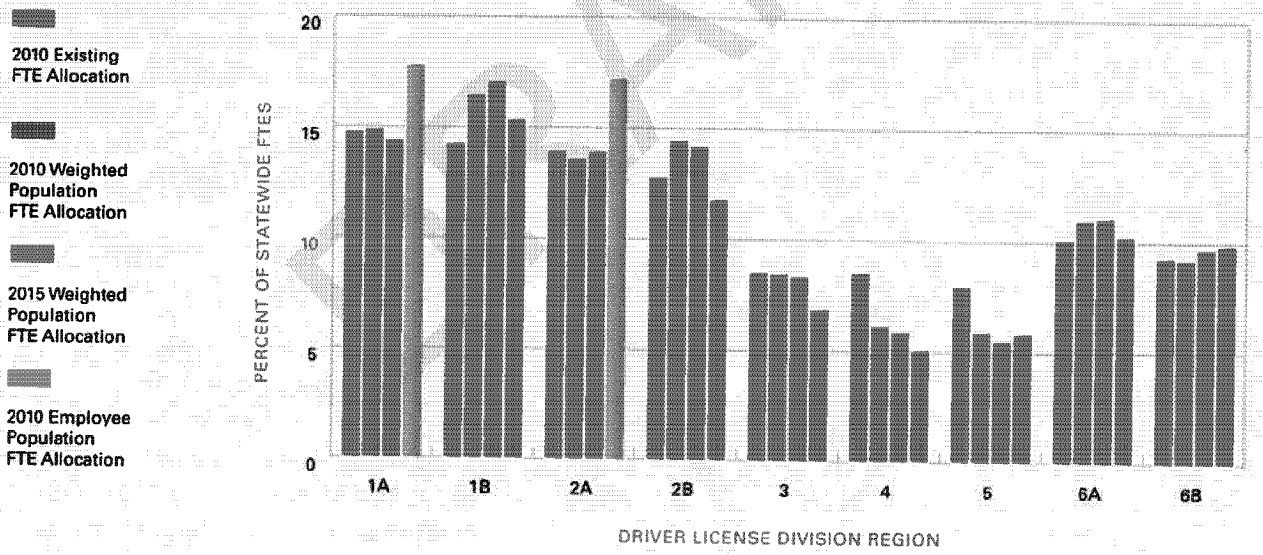
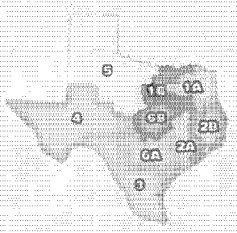


Figure 32. Comparison of percent of statewide existing FTEs and model-reallocated FTEs by region.

Table 7. Number of Three-Model, Two-Model, and Three-Model without an Existing DLO Confluences by region.



Region	Three-Model Confluence	Two-Model Confluence	Three-Model Confluence without an Existing DLO	Total
1A	14	5	8	27
1B	16	6	10	32
2A	8	0	7	15
2B	11	6	11	28
3	10	1	2	13
4	7	3	2	12
5	10	3	4	17
6A	9	3	9	21
6B	7	1	5	13
Statewide	92	28	58	178

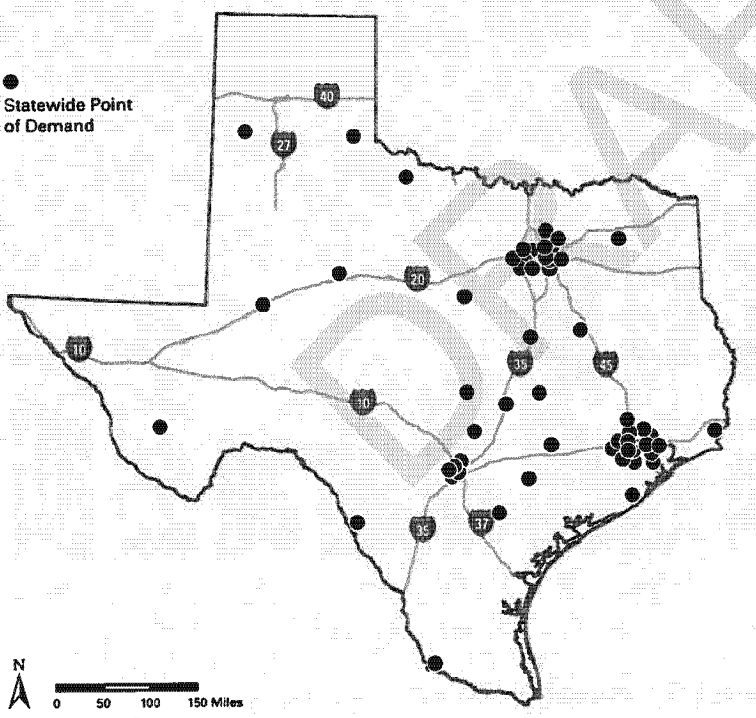


Figure 33. Fifty-eight statewide points of demand were identified.

a location with high customer population. Three-Model Confluences without an existing DLO indicated areas with high customer populations that are potentially not being adequately served and have the greatest need for a new DLO since all three Analysis Population models came together at that particular location and there is no DLO nearby.

PHASE THREE: OFFICE RECOMMENDATIONS

MEGA DRIVER LICENSE OFFICE ANALYSIS

To determine the most equitable distribution of potential Mega DLOs and FTEs, initiated transaction volume (for Regions that contained Mega Urban Study Areas) and model-reallocated FTEs (for both Mega Urban Study Areas and Regions that contained Mega Urban Study Areas) were examined.

MEGA DLO REGIONS

Model-reallocated FTEs and initiated transaction volumes in Mega Urban Study Areas and Regions with Mega Urban Study Areas were calculated to gain a general understanding of customer demand and FTE reallocation. The model-reallocated FTEs and initiated transaction volumes were not final recommendations, but served as a guide in determining the number of potential Mega DLOs that should be placed in each region. The comparison of model-reallocated FTEs for the DLD Regions with Mega Urban Study Areas revealed that Regions 1A and 1B combined, which include DFW, had the greatest increase of FTEs at 103.3. Regions 2A and 2B (containing Houston) had an increase of 84.6 FTEs. Region 6A (containing San Antonio) had an FTE increase of 37.5. Region 6B (containing Austin) had an FTE increase of 28.4. Mega DLOs must have at least 25 FTEs. Although these FTE reallocations are at the regional level and not the Mega Urban Study Area level they still provide useful information for some initial considerations. For example, Region 6B (containing Austin) had an FTE reallocation increase of 28.4. This suggests that only one potential Mega DLO should be recommended in this region. In contrast, Regions 1A and 1B (containing DFW) had an FTE reallocation increase of 103.3. These numbers suggest the possibility that these two Regions could support as many as four Mega DLOs. The results of model-reallocated FTEs for the Mega Urban Study Areas were used to further refine the results of model-reallocated FTEs for the DLD Regions.

Initiated transaction volumes by region revealed that Regions 1A and 1B, which contain DFW, combined had the highest annual initiated transaction volume of 1,482,159. Regions 2A and 2B, which contain Houston, had a combined annual initiated transaction volume of 1,320,559. Region 6A, containing San Antonio, had 513,116 initiated transactions and Region 6B, containing Austin, had 431,474 (Figure 15, Page 31). Initiated transaction volumes for the Houston Regions and DFW Regions were similar suggesting a similar customer demand. The Regions containing San Antonio and Austin also had similar initiated transaction volumes. Comparable transaction volumes between regions were an indication of similar customer demand for services, including Mega DLOs if customers are in densely populated areas.

MEGA URBAN STUDY AREAS

The Mega Urban Study Areas for Austin, San Antonio, DFW, and Houston are depicted in Figure 34.

Using statewide FTE reallocations, the number of FTEs in the Austin Mega Urban Study Area increased from 54 to 78 for a total of 24 additional FTEs. The San Antonio Mega Urban Study Area increased from 63 to 87 for a total of 24 more FTEs. The DFW Mega

Urban Study Area increased from 205 to 306 for an increase of 101 FTEs. The Houston Mega Urban Study Area increased from 217 to 286 for an increase of 69 FTEs (Figure 35). A total of 218 of the additional 250 statewide FTEs were model-reallocated to the four Mega Urban Study Areas. The model-reallocation of 218 of the 250 FTEs to the four Mega Urban Study Areas indicated that there is concentrated, high customer demand in these areas that requires the majority of the additional 250 FTEs for equitable service compared to the rest of the state.

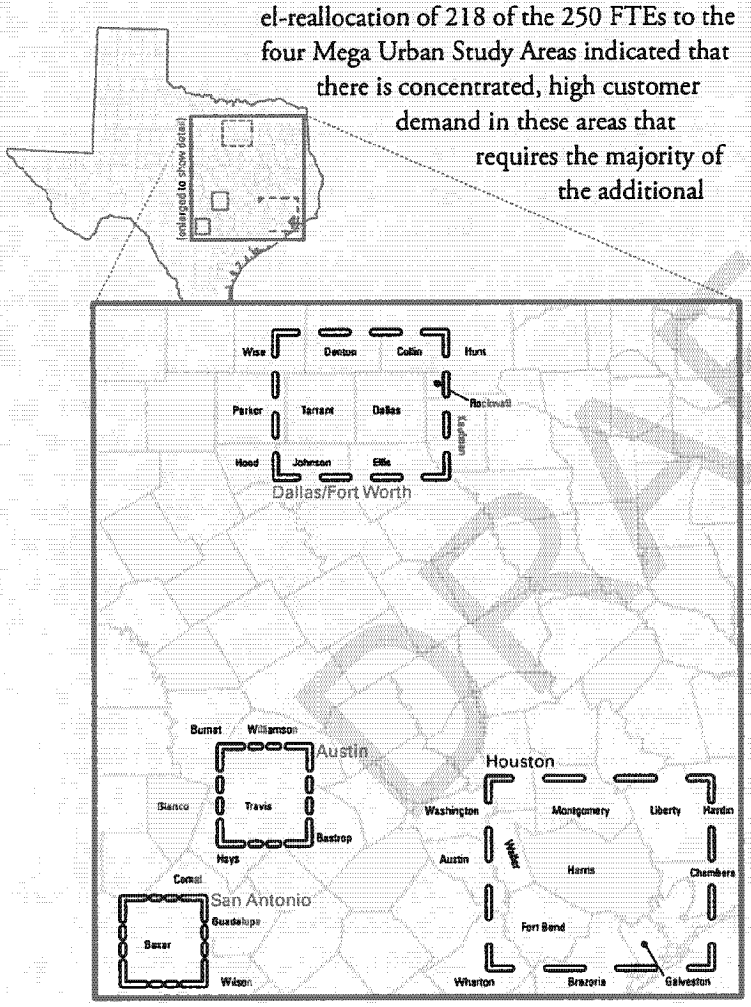


Figure 34. Mega Urban Study Areas.

POTENTIAL MEGA DLO LOCATION RECOMMENDATIONS

The number of FTEs reallocated to each of the DLD Regions proposed to receive potential Mega DLOs and each of the Mega Urban Study Areas, along with initiated transaction volumes by region were used to determine the most equitable distribution of the six potential Mega DLOs. Model-reallocated FTEs by Mega Urban Study Area and Regions with Mega Urban Study areas revealed that DFW and Houston (and their respective DL Regions) had more than twice as many additional FTEs reallocated than Austin and San Antonio, suggesting the placement of

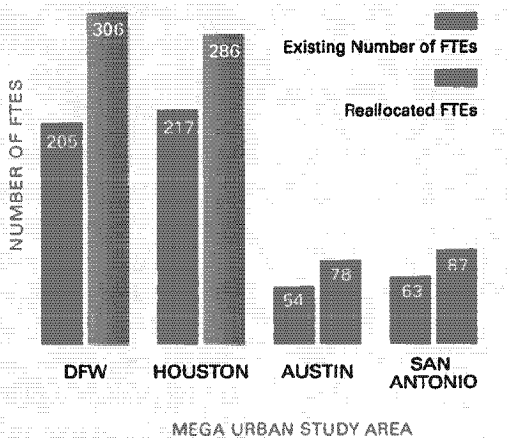


Figure 35. Number of existing and model reallocated FTEs (including 250 additional statewide FTEs) by Mega Urban Study Area.

one Mega DLO in Austin, one in San Antonio, and two in both DFW and Houston. Initiated transaction volumes by Region also revealed more than twice as many initiated transactions in DFW and Houston as Austin and San Antonio, supporting the recommendation of one Mega DLO in Austin, one in San Antonio, and two in both DFW and Houston.

MEGA URBAN AREA POINTS OF DEMAND

Two Mega Urban Area Points of Demand were established for Austin, three for San Antonio, ten for DFW, and nine for Houston. As described in the Methods section, Mega Urban Area Points of Demand represented optimal locations for Mega DLOs based on the three Analysis Populations. These Mega Urban Area Points of Demand served as starting points in determining the optimal locations for one Mega DLO in Austin, one in San Antonio, two in DFW, and two in Houston. The final potential Mega DLO location recommendations were near major transportation routes and large customer populations.

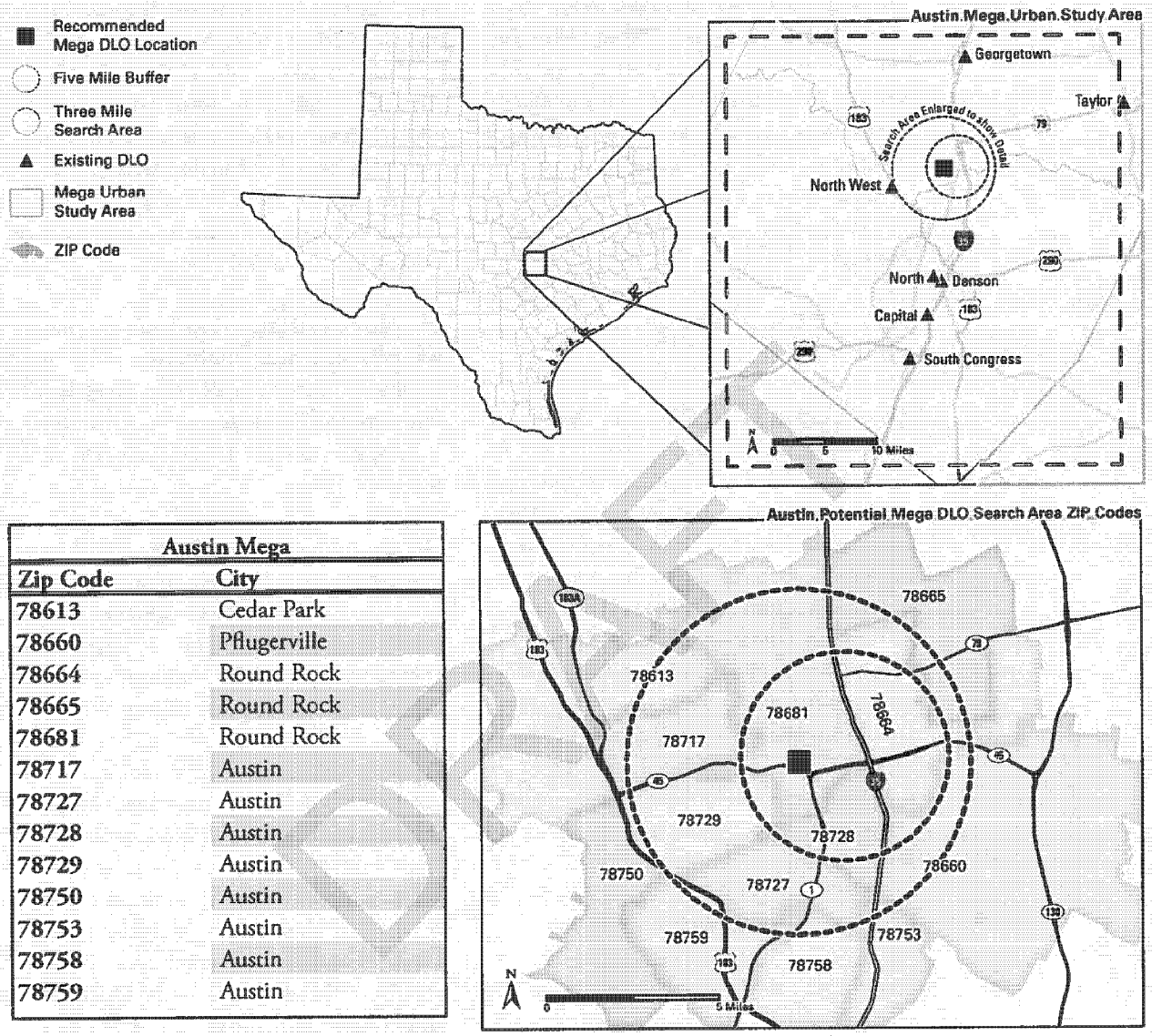
POTENTIAL MEGA DLO LOCATIONS

As stated in the Methods section, two potential Mega DLO location scenarios were presented to TxDPS for both San Antonio and DFW. In the San Antonio Mega Urban Study Area, the first potential Mega DLO scenario placed one Mega DLO in northwest San Antonio. The second scenario placed one Mega DLO in west San Antonio. In the DFW Mega Urban Study Area, the first scenario placed one Mega DLO in northeast Dallas and one in north Arlington. The second scenario placed one Mega DLO in north Dallas and one in northeast Dallas. The scenarios selected by TxDPS are detailed below. Initially, no alternative scenarios were offered for Austin and Houston.

The Austin potential Mega DLO location was recommended in north Austin near the northwest intersection of Loop 1 and State Highway 45. The three-mile search area trended east towards Round Rock (Figure 36).

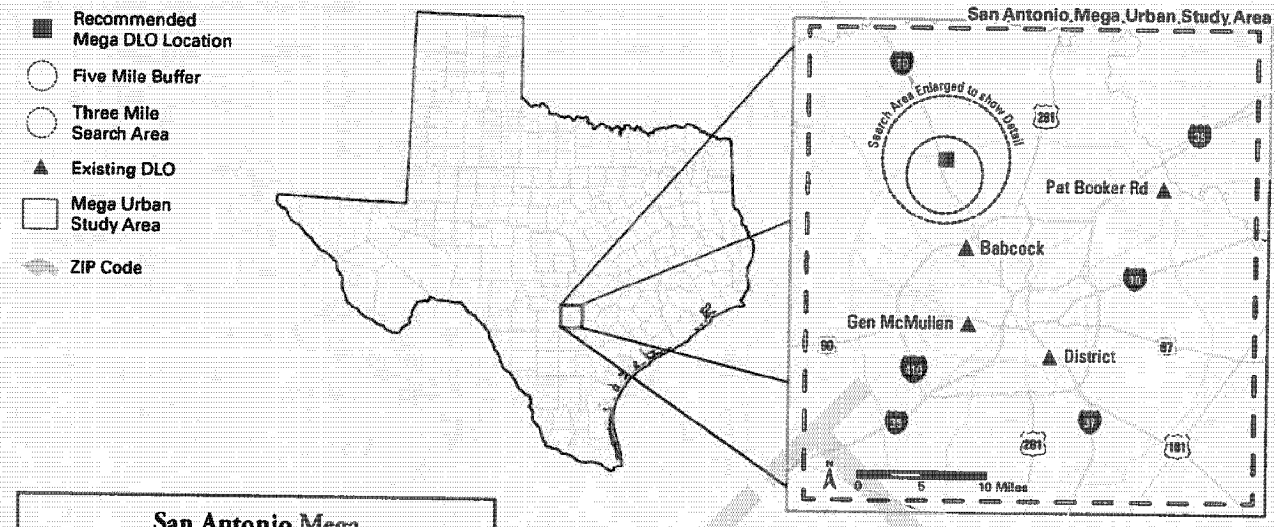
The San Antonio potential Mega DLO location chosen by TxDPS was in northwest San Antonio near the southeast corner of Interstate Highway 10 and Loop 1604. The three-mile search area trended southeast towards the center of San Antonio (Figure 37).

The potential Mega DLO location scenario chosen by TxDPS placed two Mega DLO locations in the DFW Mega Urban Study Area. One Mega DLO was located in Northeast Dallas at the northeast corner of Interstate Highway 635 and State Highway 75. The three-mile search area trended slightly southeast away from the Dallas-East DLO (Figure 38). The second Mega DLO location for DFW was in north Arlington at the northwest corner of Interstate Highway 30 and North Collins Street. The three-mile search area was directly in the center of the five-mile buffer (Figure 39).



Austin Mega	
Zip Code	City
78613	Cedar Park
78660	Pflugerville
78664	Round Rock
78665	Round Rock
78681	Round Rock
78717	Austin
78727	Austin
78728	Austin
78729	Austin
78750	Austin
78753	Austin
78758	Austin
78759	Austin

Figure 36. One potential Mega DLO was recommended in north Austin near the intersection of Loop 1 and State Highway 45. A three-mile search area, a five-mile buffer, and ZIP Codes with their corresponding cities provided direction in the search for the Mega DLO lease site.



San Antonio Mega	
ZIP Code	City
78023	Helotes
78213	San Antonio
78216	San Antonio
78229	San Antonio
78230	San Antonio
78231	San Antonio
78232	San Antonio
78240	San Antonio
78248	San Antonio
78249	San Antonio
78254	San Antonio
78255	San Antonio
78256	San Antonio
78257	San Antonio
78258	San Antonio
78260	San Antonio

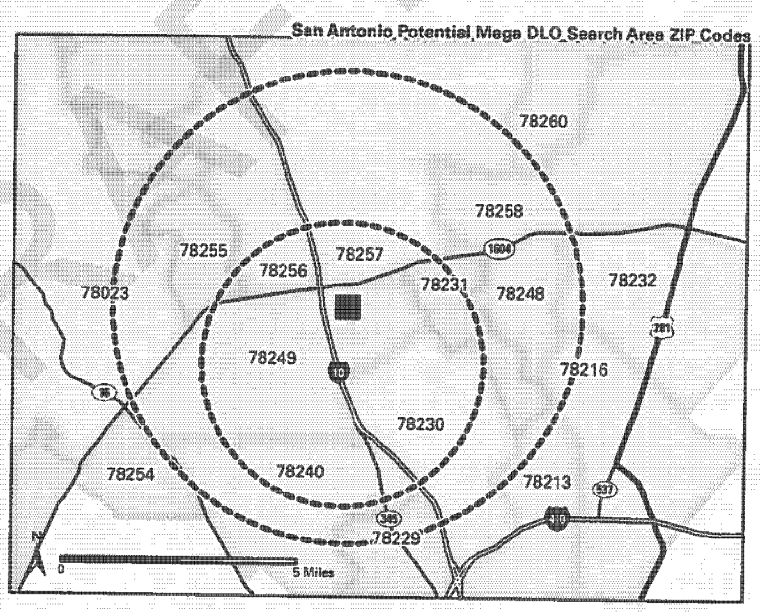
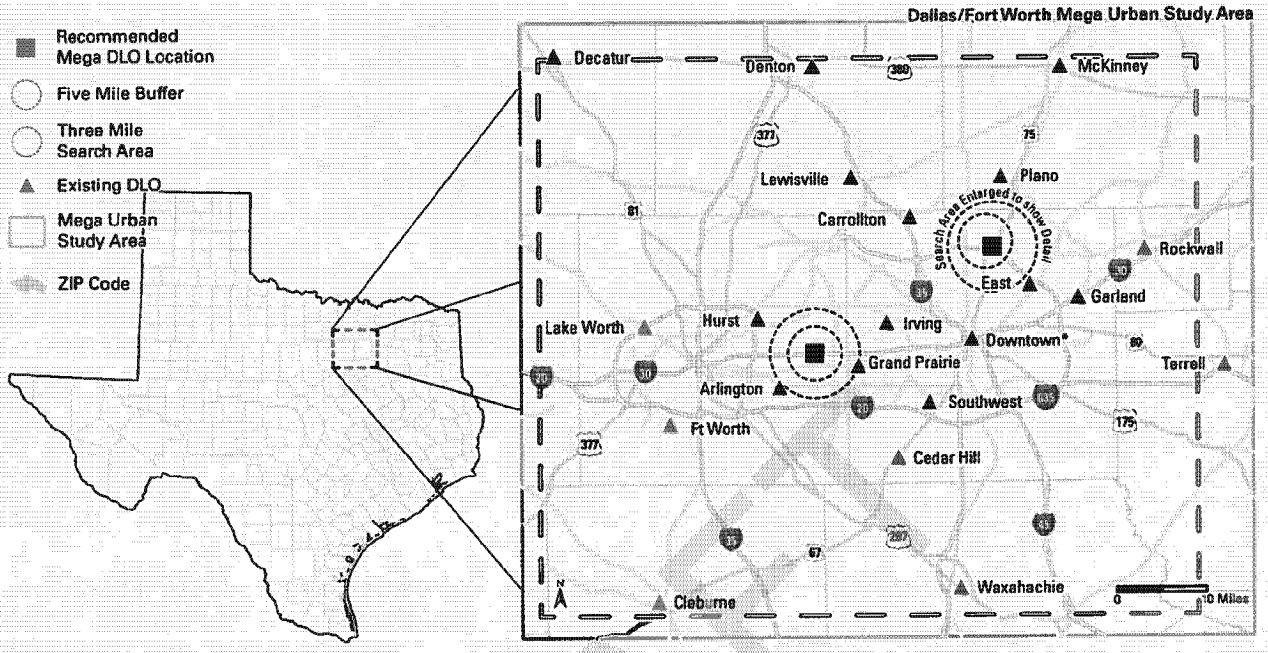


Figure 37. One potential Mega DLO was recommended in northwest San Antonio near the southeast corner of Interstate Highway 10 and Loop 1604. A three-mile search area, a five-mile buffer, and ZIP Codes with their corresponding cities provided direction in the search for the Mega DLO lease site.



Northeast Dallas Mega	
ZIP Code	City
75001	Addison
75041	Garland
75042	Garland
75044	Garland
75075	Plano
75080	Richardson
75081	Richardson
75082	Richardson
75206	Dallas
75214	Dallas
75218	Dallas
75220	Dallas

Northeast Dallas Mega	
ZIP Code	City
75225	Dallas
75229	Dallas
75230	Dallas
75231	Dallas
75238	Dallas
75240	Dallas
75243	Dallas
75244	Dallas
75248	Dallas
75251	Dallas
75252	Dallas
75254	Dallas

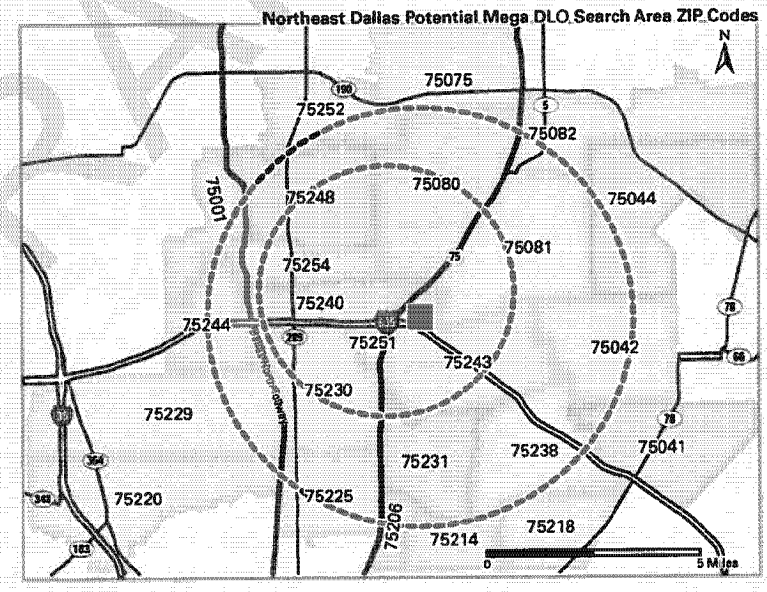
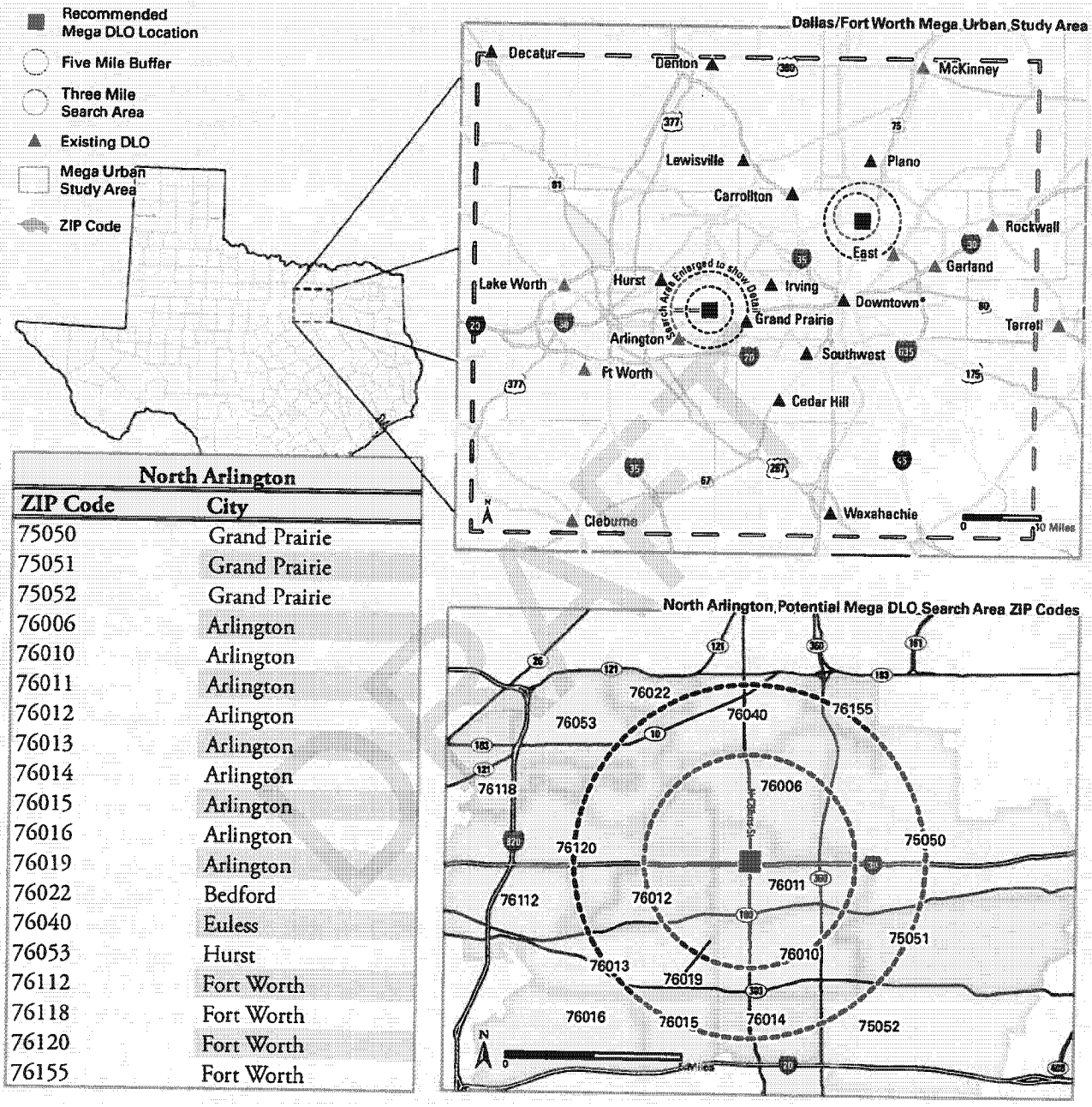


Figure 38. One potential Mega DLO was recommended in northeast Dallas at the northeast corner of Interstate Highway 635 and State Highway 75. A three-mile search area, a five-mile buffer, and ZIP Codes with their corresponding cities provided direction in the search for the Mega DLO lease site.



North Arlington	
ZIP Code	City
75050	Grand Prairie
75051	Grand Prairie
75052	Grand Prairie
76006	Arlington
76010	Arlington
76011	Arlington
76012	Arlington
76013	Arlington
76014	Arlington
76015	Arlington
76016	Arlington
76019	Arlington
76022	Bedford
76040	Euless
76053	Hurst
76112	Fort Worth
76118	Fort Worth
76120	Fort Worth
76155	Fort Worth

Figure 39. One potential Mega DLO was recommended in north Arlington at the northwest corner of Interstate Highway 30 and North Collins Street. A three-mile search area, a five-mile buffer, and ZIP Codes with their corresponding cities provided direction in the search for the Mega DLO lease site.

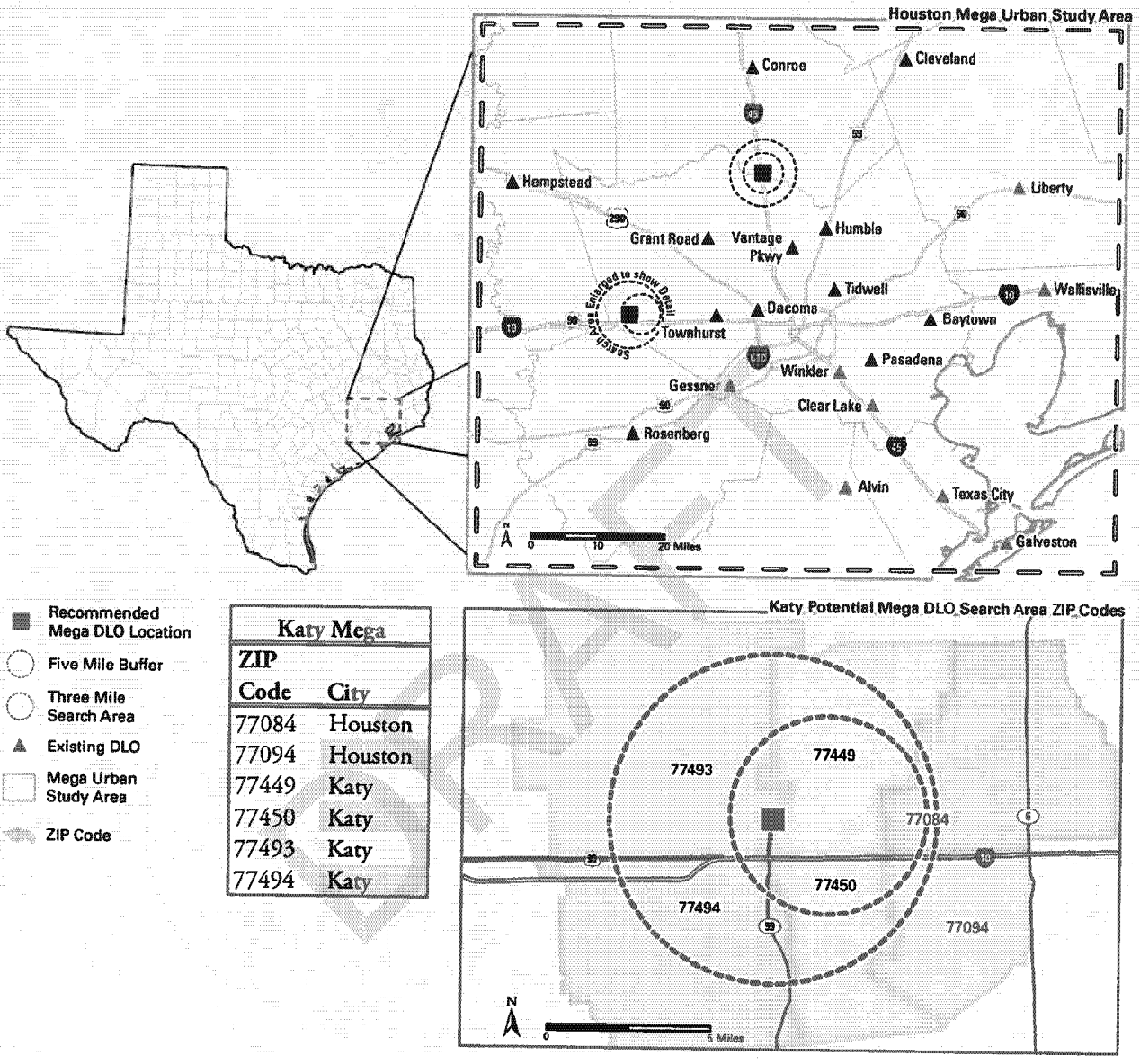
Two potential Mega DLO locations were recommended in the Houston Mega Urban Study Area. One Mega DLO location for Houston was recommended west of Houston, in Katy, near the intersection of Grand Parkway and Interstate Highway 10. The three-mile search area trended east towards the center of Houston (Figure 40). The second Mega DLO location for Houston was recommended in Downtown Houston. However, due to economic and social factors outlined by TxDPS (e.g. high lease costs, lack of leasable space, and crime rates) an alternative Mega DLO location was requested. The alternative second potential Mega DLO was recommended north of Houston, in Spring, at the intersection of Interstate Highway 45 and the Hardy Toll Road. The Spring Mega DLO was directly in the center of the three-mile search area (Figure 41).

RECOMMENDED FTE ASSIGNMENTS

FTE Assignments were recommended for all existing DLOs and potential Mega DLOs. No Statewide or Urban Area Points of Demand, including the six final recommended potential Mega DLO locations, were model-reallocated 25 or more FTEs (the minimum requirement for a Mega DLO). However, FTE Assignments were often different from model-reallocated FTE distributions because DLO FTE carrying capacities, existing FTE allocations, and the needs of TxDPS outlined in *What Will It Take to Fix Driver License?* all had to be considered.

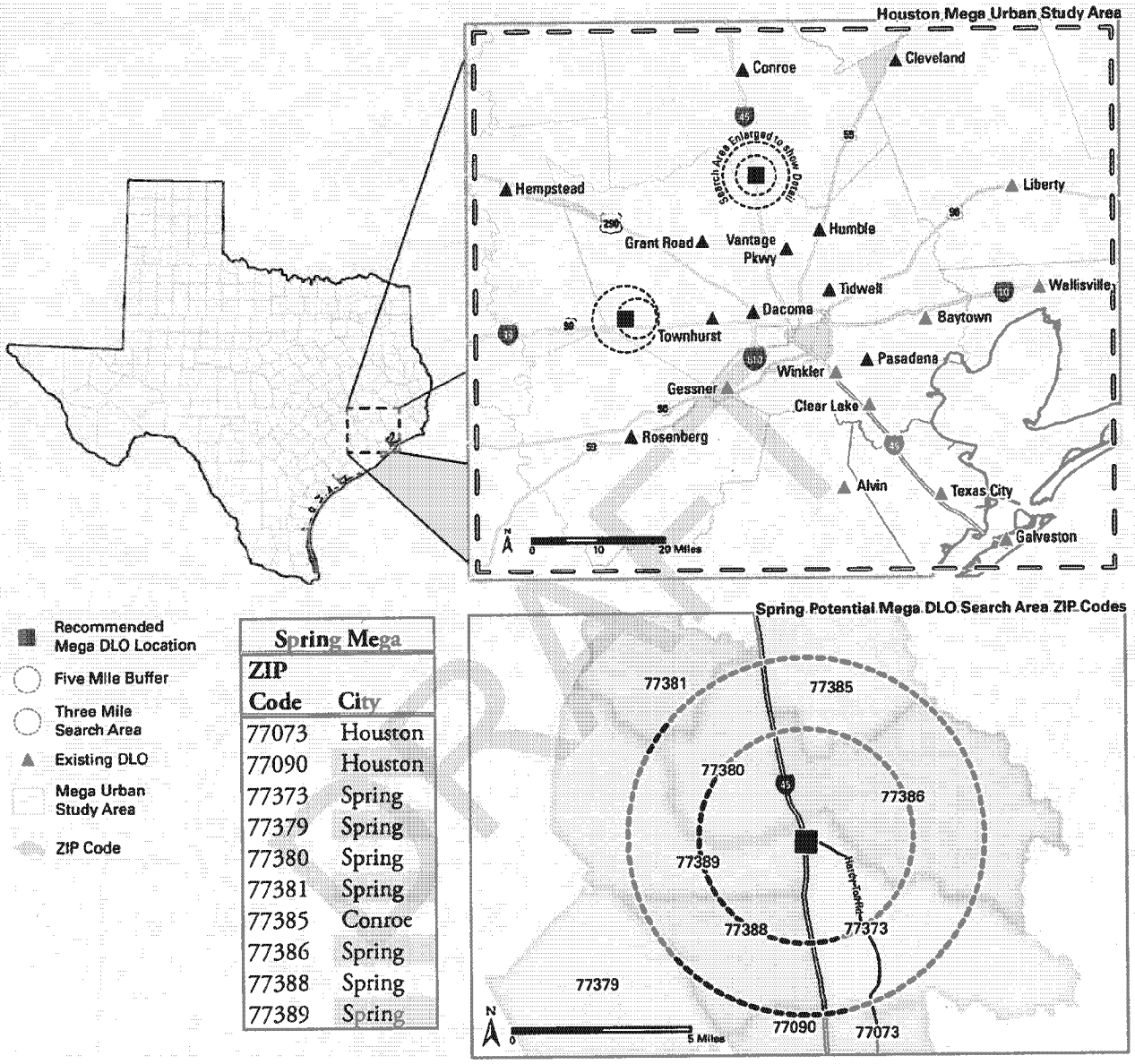
The final FTE Assignments for the Austin, San Antonio, North Arlington, Katy, and Spring potential Mega DLOs were 25 FTEs each. The final FTE Assignment for the Northeast Dallas potential Mega DLO was 31 FTEs after absorbing FTEs from nearby DLOs. All potential Mega DLOs, with the exception of the Northeast Dallas Mega DLO, were assigned more FTEs than were model-reallocated and absorbed from nearby DLOs.

To begin the FTE Assignment process, each of the six potential Mega DLOs was assigned 25 FTEs. With Mega DLO FTE Assignments, three different scenarios occurred. In the first scenario, a potential Mega DLO was assigned more than 25 FTEs because it absorbed enough FTEs from a nearby DLO(s) to exceed 25 FTEs. This occurred with the Northeast Dallas potential Mega DLO. It absorbed FTEs from the Carrollton, Dallas-East, and Plano DLOs. In the second scenario, a potential Mega DLO absorbed FTEs from a nearby DLO(s) but the absorption was not enough for the FTEs to reach 25; therefore, the FTE Assignment remained at 25. This scenario occurred with the North Arlington, Katy, and Spring potential Mega DLOs. The North Arlington potential Mega DLO absorbed FTEs from the Hurst DLO. The Katy and Spring potential Mega DLOs both absorbed FTEs from the Houston-Grant Road DLO. In the third Mega DLO FTE Assignment scenario, a Mega DLO did not absorb any FTEs from a nearby DLO(s) and remained at 25 FTEs. This scenario



Katy Mega	
ZIP Code	City
77084	Houston
77094	Houston
77449	Katy
77450	Katy
77493	Katy
77494	Katy

Figure 40. One potential Mega DLO was recommended west of Houston, in Katy, near the intersection of Grand Parkway and Interstate Highway 10. A three-mile search area, a five-mile buffer, and ZIP Codes with their corresponding cities provided direction in the search for the Mega DLO lease site.



Spring Mega ZIP Code	City
77073	Houston
77090	Houston
77373	Spring
77379	Spring
77380	Spring
77381	Spring
77385	Conroe
77386	Spring
77388	Spring
77389	Spring

Figure 41. One potential Mega DLO was recommended north of Houston, in Spring, at the intersection of Interstate Highway 45 and the Hardy Toll Road. A three-mile search area, a five-mile buffer, and ZIP Codes with their corresponding cities provided direction in the search for the Mega DLO lease site.

occurred with the Austin and San Antonio potential Mega DLOs.

Detailed FTE assignments for the potential Mega DLOs and all existing DLOs are found in Appendix A, Table 3A.

FTE DISPARITY

The DLO with the greatest FTE need was Houston-Grant Road at -10.6. The DLO with the second greatest need was Dallas-Southwest at -10.1. Houston-Dacoma had the third greatest disparity at -9.6.

Houston-Grant Road had 15 existing FTEs. However, the model reallocated Houston-Grant Road 25.6 FTEs. In other words, Houston-Grant Road needed to add 10.6 FTEs to have an equitable number of FTEs to serve its customer population. Houston-Grant Road had a carrying capacity of 20 FTEs which meant that it had space to add five FTEs. Since Houston-Grant Road was most in need of FTEs according to the model, it was the first DLO to be assigned one FTE from the pool of available FTEs. Houston-Grant Road's FTE disparity became -9.6. By assigning the Houston-Grant Road DLO one FTE, the Dallas-Southwest DLO then became the DLO with the greatest FTE disparity at -10.1. The process of iteratively assigning FTEs from the pool of available FTEs to the DLOs with the greatest disparity was repeated until all 100 FTEs were assigned. FTE Disparities, DLO carrying capacities, and final recommended DLO FTE assignments are detailed in Appendix A, Table 3A.

A negative FTE Disparity at some DLOs was unable to be equitably alleviated due to limited Carrying Capacity at both the DLO with the disparity and nearby DLOs. These DLOs are designated in Appendix A, Table 3A With the goal of equitable FTE assignments and resolving FTE disparities, as more resources (i.e. funding, FTEs) are made available, finding solutions for these DLOs to accommodate additional FTEs should be a priority.

NEW FTE DISPARITY

After all FTE Assignments were completed, a New FTE Disparity remained at many existing DLOs and potential Mega DLOs. This was a result of the limited number of FTEs available for distribution and the over allocation of FTEs to some DLOs to maintain their existing number of FTEs. A negative New FTE Disparity indicated further FTE Need. The DLO with the greatest New FTE Need was Dallas-Southwest at -8.2 FTEs. A positive New FTE Disparity indicated FTE over allocation. The DLO with the greatest positive New FTE Disparity was the North Arlington potential Mega DLO at 15.9 FTEs.

There are two types of DLOs that have a New FTE Disparity. The first type consists

of DLOs that have need but cannot accommodate any more FTEs and there are no DLOs or potential Mega DLOs nearby that can absorb FTEs to alleviate their need. The second type consists of DLOs whose original FTE Disparity was too low to receive FTEs from the pool of available FTEs based on the hierarchy of need. At this time, there is nothing that can be done to alleviate New FTE Need without either (1) adding more FTEs statewide or (2) reallocating FTEs to DLOs with New FTE Need from over allocated DLOs. New FTE Disparities for each DLO are displayed in Appendix A, Table 3A.

PHASE FOUR: POTENTIAL DRIVER LICENSE OFFICE CLOSURES

As discussed in the Methods section, five criteria were used to evaluate all DLOs for potential closure. The maximum number of criteria fulfilled by a DLO was five and the minimum was zero (Table 8). No DLOs that fulfilled four or more criteria were recommended for potential closure. All nine DLOs that did not satisfy any criteria were recommended as potential Tier 1 closures. Appendix A, Table 4A lists the potential Tier 1 and Tier 2 DLO closures with closure criteria and explanations of recommended closures. No DLO within a Three-Model or Two-Model Confluence was recommended as a potential DLO closure because the Confluences represented concentrations of customer demand.

Table 8. Number of DLOs that fulfilled closure criteria.

Total Number of Closure Criteria Met	Number of DLOs
5	2
4	73
3	73
2	51
1	18
0	9

A total of 26 DLOs were classified as Tier 1 potential DLO closures and eight DLOs were recommended as Tier 2 potential DLO closures. Region 5 had the highest number of potential DLO closures with 15 Tier 1 closures and two Tier 2 closures (Figure 42).

It is important to note that simply not fulfilling most or all of the criteria did not definitively result in a DLO being on the potential DLO closures list. The variability in outcomes is a result of the chain reaction that occurs with the closure of a DLO. For example, the closure of one DLO could result in a nearby DLO that was within 52 minutes to subsequently be greater than 52 minutes from the next closest DLO, resulting in the drive time criteria being met.

Potential DLO closures do not need to be implemented as a whole. They can be applied in any order and at any rate. In addition, potential DLO closure recommendations

were intended to make resources available for allocation to other DLO locations where they can have an impact on a greater number of customers. For example, a DLO that has one FTE and is currently completing 1,000 transactions per year as a result of low customer demand could be closed and the FTE could serve more customers in a DLO with a higher volume of customers. Invariably, closing a DLO and reallocating the FTE to another DLO will result in a decreased level of service for a small number of customers. However, it could have a positive impact on a greater number of customers.

PHASE FIVE: ADDITIONAL ANALYSES

TRANSACTIONS INITIATED BY 15- TO 19-YEAR-OLDS

Excluding the five special DLOs listed in the Methods section, the Hempstead DLO (northwest of Houston) had the highest average monthly percentage of initiated transactions for CY 2010 by 15- to 19-year-olds at 34%. The Mission DLO had the lowest at 10%. Contributing factors to this variation could be economic, cultural, and demographic. Obtaining a driver license for a 15- to 19-year-old may be more necessary among certain populations. In addition, populations with more disposable income are more likely to have a second or third family car which could encourage the completion of driver education by 15- to 19-year-olds (Appendix A, Table 5A).

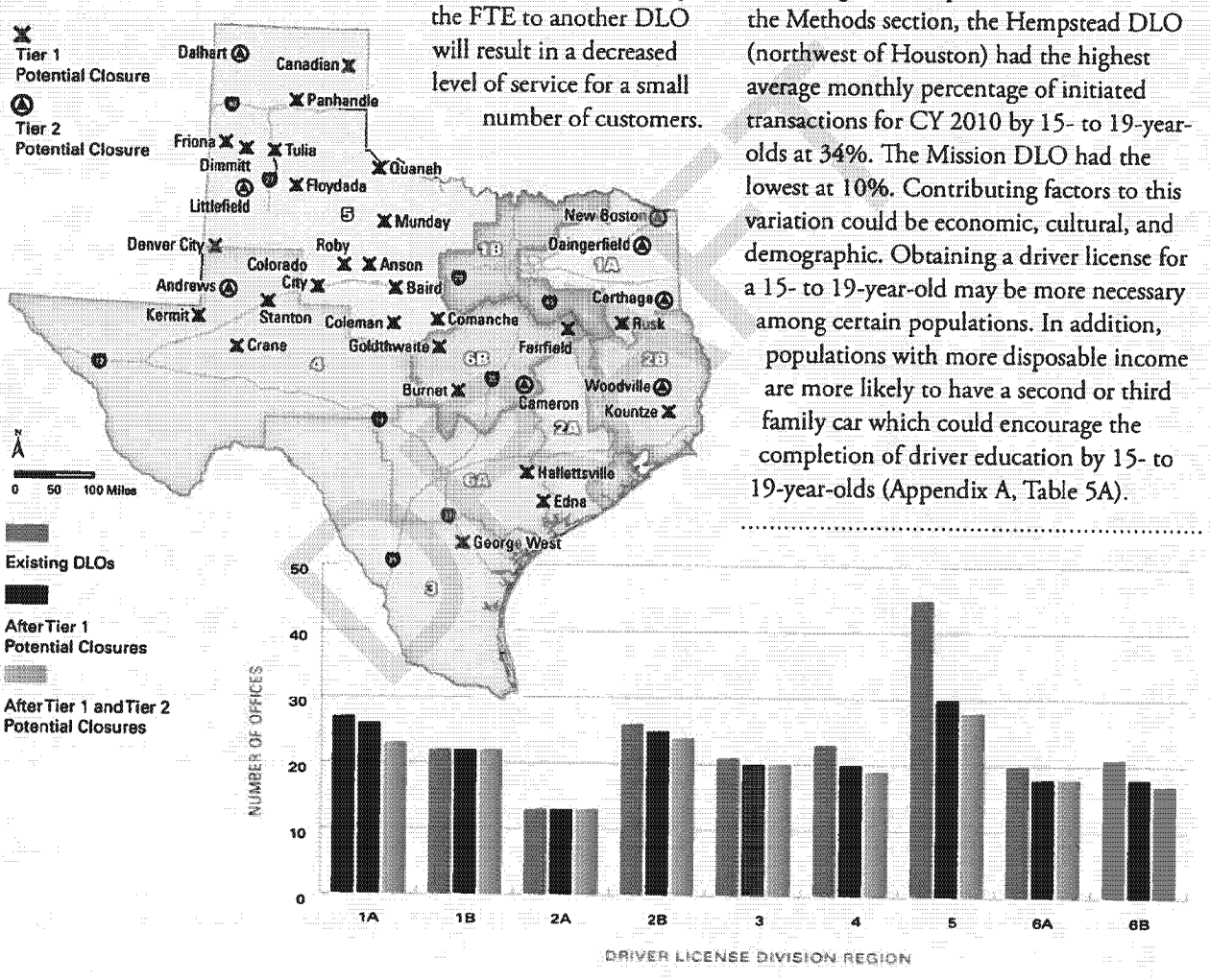


Figure 42. Comparison of Potential Driver License Office Closures and existing Driver License Offices by region.

Monthly initiated transaction percentages for all DLOs showed June had the highest average of monthly percentages of initiated transactions for 15- to 19-year-olds at 28%. The peak in June could be a result of the completion of driver education courses taught during the spring semester of the school year. Also, the end of the school year creates more free time for high school students to complete the steps necessary to obtain a driver license. September, October, November, and December tied for the lowest average at 19% (Appendix A, Table 6A).

LATE-DAY CLOSURES

Analysis of DLOs with late-day closures (7:00 pm closure times) showed that, although the total number of completed transactions at these DLOs decreased from 30,395 in the five o'clock hour to 28,902 in the six o'clock hour, the average number of employees processing these transactions decreased by a similar percentage. In other words, a similar number of transactions were being completed per employee during the five o'clock hour and the six o'clock hour (Table 9).

Table 9. Comparison of average number of transactions and average number of employees by hour for Driver License Offices with 7:00pm late day closures.

Hour of Day[1]	Total Transactions	Average Number of Employees	% of Total Transactions	% of Total Employees	Difference between % of Transactions and % of Employees
7:00am	980	1.95	0.29	2.55	0.112
8:00am	19,405	3.93	5.66	5.15	1.099
9:00am	23,578	4.40	6.88	5.76	1.193
10:00am	29,922	6.40	8.73	8.39	1.041
11:00am	31,785	6.07	9.27	7.94	1.167
12:00pm	32,689	6.37	9.53	8.35	1.142
1:00pm	31,259	6.23	9.12	8.16	1.117
2:00pm	30,345	5.93	8.85	7.77	1.139
3:00pm	35,196	6.94	10.26	9.09	1.129
4:00pm	35,056	7.09	10.22	9.29	1.100
5:00pm	**30,395**	**5.24**	**8.86**	**6.86**	**1.293**
6:00pm	**28,902**	**4.86**	**8.43**	**6.36**	**1.325**
7:00pm	11,909	3.65	3.47	4.78	0.726
8:00pm	1,338	3.22	0.39	4.22	0.092
9:00pm	132	4.07	0.04	5.33	0.007

[1] *All hour of day numbers refer to a full hour of operation. For example, Hour of Day "7:00am" begins at 7:00am and ends at 7:59am.*

In addition, the final initiated transaction at DLOs with a late-day closure occurred, on average, at 7:17 pm. This indicated that customers at these DLOs initiated transactions after the 7:00 pm closure time.

The 2010 Transaction Dataset only indicated the volume of transactions initiated at a given DLO, but could not indicate the time customers entered a DLO for a transaction. Therefore, it is unknown if the volume of transactions processed during the six o'clock hour was due to a continuous stream of customers or a backlog of customers from the 5 o'clock hour. Overall, the similar volume of transactions completed in the five o'clock and six o'clock hours suggests the need to retain the late-day hours at these DLOs.

INTERNET TRANSACTIONS AND CONNECTIVITY

Both the volume of Internet transactions and the percentage of Internet transactions by county are important to consider. Using both numbers together is most useful because they can be combined to determine counties with high transaction volumes but low percentages of online transactions. These types of counties can be targeted for additional marketing or resources to emphasize completing transactions online.

Harris county had the largest volume of Internet initiated transactions with 269,127 (Figure 43). The county with the highest percentage of its total transactions completed online was Collin County at 28.1% (Figure 44).

To describe Internet connectivity, three variables were used: number of people who had internet access, number of people who used the Internet daily, and number of people who made a purchase online within thirty days of internet connectivity data collection. The online purchase variable was used because a customer completing a DL or ID transaction online is required to provide credit card information similar to making a purchase online. At 72.1%, Concho County had the highest

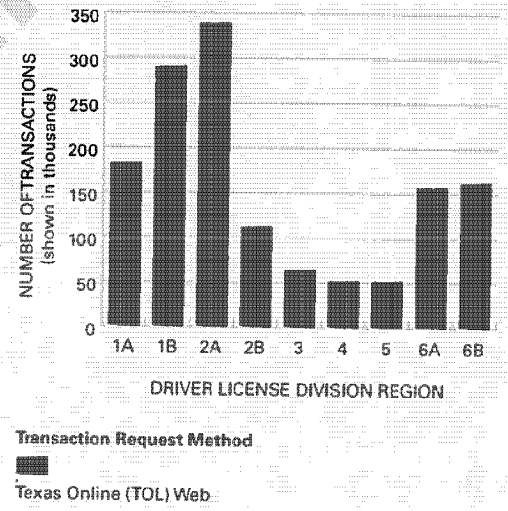


Figure 43. Volume of Internet initiated transactions by DL Region.

access to the Internet and Starr County had the lowest at 36.3% (Figure 45). Llano County had the highest percentage of people with daily Internet use at 10.4% and Starr County had the lowest at 3.6% (Figure 46). At 29.1%, Collin County had the highest percentage of people who made an online purchase within 30 days of Internet connectivity data collection and Starr County had the lowest at 7.2% (Figure 47).

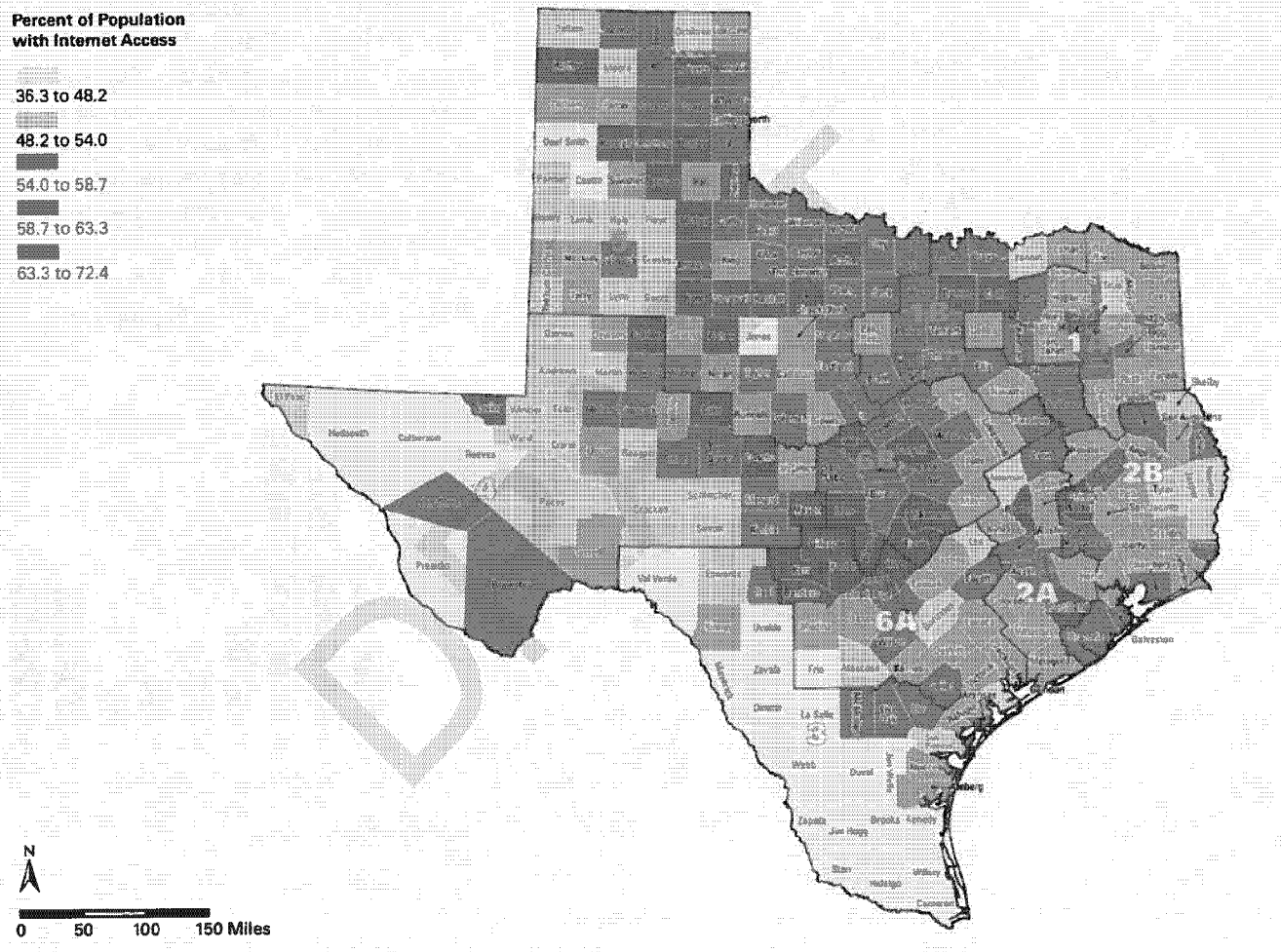


Figure 44. Percent of population with Internet access by county.